Supreme Court, U.S.
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No. 88-811

IN THE

Supreme Court of the United States

OCTOBER TERM, 1988

BUSINESS COMPUTER CORPORATION, *Petitioner,*
and MICHAEL D. EATON,

VS.

U.S. ROBOTICS, INC., *Respondent.*

BUSINESS COMPUTER CORPORATION, *Petitioner,*

VS.

PROMETHEUS PRODUCTS, INC., *Respondent.*

BRIEF OF U.S. ROBOTICS, INC. IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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RULE 28.1 LIST

The respondent, U.S. Robotics, Inc., has no subsidiaries or affiliates to list pursuant to Rule 28.1.

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BRIEF OF U.S. ROBOTICS, INC. IN OPPOSITION TO PETITION FOR CERTIORARI

U.S. Robotics, Inc., hereby opposes the Petition For A Writ of Certiorari To The United States Court of Appeals for the Federal Circuit filed in this case by Business Computer Corporation.

REASONS FOR DENYING THE WRIT

The question presented by petitioner is brought frivolously before this Court. Petitioner may not now argue that the presumption of patent validity established by 35 U.S.C. §282 is higher for re-examined patents than for other patents because it raises that issue for the first time before this Court. The question raised is not and cannot be in dispute among the Circuits because the Federal Circuit has

exclusive jurisdiction over all patent cases and is the only appellate court to rule on this issue. Moreover, the Federal Circuit has extensively considered the meaning and scope of this presumption of validity in a variety of situations, including cases involving re-examined patents. Its decisions establish that this presumption, like all presumptions, can neither be strengthened nor destroyed, but remains unchanged throughout any proceeding.

Petitioner's real motivation for filing this petition is even more troubling than the frivolous legal arguments which it makes. Petitioner has signed licenses of the patent in question. These licenses provide for certain benefits to petitioner during the term of the licenses. These licenses do not end, however, with the district court's declaration that the patent is invalid. They terminate only when the final appeal of that decision is denied. Thus, petitioner seeks to misuse this Court's process to prolong this litigation and thereby obtain a business advantage in the marketplace. Such conduct must not be countenanced. Respondent has filed herewith a Motion for Costs and Fees seeking costs and attorneys fees arising out of this frivolous appeal.

Petitioner's failure to raise the issue which they now argue in a timely manner below precludes its consideration now. *Hoover* v. *Ronwin*, 466 U.S. 558, 574, 104 S.Ct. 1989, 1998 n.25 (1984). This Court has frequently declined to address issues which are brought before it for the first time. *Oneida County, N.Y.* v. *Oneida Indian Etc.*, 470 U.S. 226, 244-245, 105 S.Ct. 1245, 1256-1257 (1985); *F.T.C.* v. *Grolier Inc.*, 462 U.S. 19, 23, 103 S.Ct. 2209, 2212 n.6 (1983); *Rogers* v. *Lodge*, 458 U.S. 613, 628, 102 S.Ct. 3272, 3281 n.10 (1982); *Miree* v. *DeKalb*, 433 U.S. 25, 33-34, 97 S.Ct. 2490, 2496 (1977). Nowhere is there to be found in the record below in either the district or appellate court the assertion that the presumption of validity is somehow

strengthened by the re-examination procedure. The argument that the burden of proof is further shifted as a result of re-examination is clearly one that needed to be raised at the district court level, if it was to be considered at all. Petitioner's failure to do so obviates the necessity of further consideration now.

No dispute among the various Circuits could present a reason for granting the instant petition. The Federal Circuit, of course, has exclusive jurisdiction over patent cases and is the only appellate court to consider such issues. 28 U.S.C. § 1338. See also, *Christianson* v. *Colt Industries Operating Corp.*, 798 F.2d 1051, 1057-1058 (7th Cir. 1986); *Atari, Inc.* v. *JS & A Group, Inc.*, 747 F.2d 1422, 1433-1440 (Fed.Cir. 1984).

The Federal Circuit has addressed repeatedly the meaning and extent of the presumption of patent validity. It has held consistently that the presumption exists for issued patents, but does not change. *Fromson* v. *Advance Offset Plate, Inc.*, 755 F.2d 1549, 1555 (Fed.Cir. 1985) (patent challenger's burden of proving invalidity does not become heavier because of reissue proceeding); *Stratoflex, Inc.* v. *Aeroquip Corp.*, 713 F.2d 1530, 1534 (Fed.Cir. 1983) (presumption of validity is not "weakened" or "destroyed" because art more pertinent than that considered by the examiner is presented). In *Fromson*, the Federal Circuit rejected an argument which is almost identical to that made here by petitioner. The appellant in *Fromson* argued that the presumption of validity was strengthened because the Patent and Trademark Office ("PTO") had considered in a reissue proceeding all of the prior art presented at trial and was unimpressed. The Court rejected that approach:

> . . . [T]he presumption, like all presumptions, is static—that is, it can neither be strengthened or [sic] destroyed. The presumption of validity under § 282 is a

> procedural device, placing the burden of proving invalidity on the party asserting it. It is not substantive law.

755 F.2d at 1555.

Petitioner has failed to cite even a single case which directly supports its burden shifting argument. The decision in *Patlex Corp.* v. *Mossinghoff*, 758 F.2d 594 (Fed.Cir. 1985) *modified*, 771 F.2d 480 (1985), petitioner's primary authority, is actually helpful to respondent in this case. The court in *Patlex* clearly stated that the purpose of re-examination is to revive the administrative jurisdiction of the PTO over issued patents to permit the PTO to remedy prior administrative errors. *Id.* at 601, 605. The court noted that a patent undergoing re-examination is processed under procedures identical with those used to process unexamined patent applications. *Id.* at 605. *See also*, 35 U.S.C. § 305. The presumption of validity is nothing more than a presumption of administrative correctness which arises from the PTO examination procedure, whether an original examination or a re-examination. *Id.* at 605. There is no logical or legal reason that the presumption of validity would be any greater or different after a re-examination during which the PTO corrects prior administrative errors than it is after a normal original examination in which no administrative errors have been made.

The record shows that the District Court accorded the patent examiner's findings the proper weight and that the patent was indeed presumed valid until that presumption was overcome by clear and convincing evidence of obviousness. No further question concerning the presumption of validity can exist. The Federal Circuit's decision affirming the lower court's grant of summary judgment is correct and should not be disturbed.

CONCLUSION

For the above stated reasons, the Petition For A Writ of Certiorari To The United States Court of Appeals For The Federal Circuit should be denied.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I, LELAND W. HUTCHINSON, a member of the Bar of this Court, hereby certify that on this 16th day of December, 1988, three copies of the BRIEF OF U.S. ROBOTICS, INC. IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI in the above entitled case were mailed, first class postage prepaid, to the following counsel for petitioner:

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I further certify that all parties required to be served have been served.

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